Top 100 Commercial Banks In Servicing of Permanent Mortgages(a)

Compiled by American Banker Copyright 1984

Servicing Rank 6/30/84		Mortgages Serviced for Investors (b) Total Dollar Volume 6/30/84	No. of Mortgages 6/30/84	No. of Investors 6/30/84 Excluding GNMA Pools	GNMA Pools	Servicing Rank 6/30/83	Gain in Rank	Total Mortgages Serviced (c) in Dollars 6/30/84	Mortgages Owned by Bank in Dollars 6/30/84
1	Bank of America NT&SA, San Francisco	2,210,000,000	51,322	212	47	1		17,069,000,000	14,859,000,000
2	Union National Bank, Little Rock, Ark.	1,134,009,045	43,153	229	269	3	+ 1	1,193,639,197	59,630,152
3	Hibernia Bank, San Francisco	1,100,000,000	27,000	46	182	2		N.A.	N.A.
4	First National Bank, Anchorage, Alaska	839,923,519	11,061	23	0	6	+ 2	839,923,519	73,906,776
5	Continental Illinois National Bank & Trust Co., Chicago	753,024,888	15,427	44	4	12	+ 7	971,969,817	218,944,929
6	National Bank of Alaska, Anchorage	749,545,434	8,600	56	2	5		860,898,190	34,152,437
7	Citizens Fidelity Bank & Trust Co., Louisville, Ky. (d)	745,000,000	17,500	79	122	7		833,000,000	88,000,000
8	Security Pacific National Bank, Los Angeles	714,354,465	20,158	68	48	4		4,942,102,130	4,227,747,666
9	Bank of Hawaii, Honolulu	631,731,861	13,760	87	11	8		947,152,556	310,423,575
10	First Tennessee Bank NA, Memphis	587,349,882	15,122	54	127	9R		675,204,668	87,854,786
11	Continental Bank, Phoenix, Ariz.	567,365,407	11,621	53	31	11		638,827,467	71,462,059
12	Alaska Mutual Bank, Anchorage	542,736,617	5,534	33	0	...		608,993,055	52,082,604
13	Michigan National Bank, Detroit	522,000,000	15,666	51	0	68	+ 55	769,000,000	284,000,000
14	Union Planters National Bank, Memphis, Tenn.	501,771,578	15,401	135	114	10r		536,954,267	35,182,689
15	Equibank, Pittsburgh	414,800,000	11,924	116	1	13		476,890,480	168,741,821
16	First Hawaiian Bank, Honolulu	395,197,111	7,943	114	0	16		958,381,010	563,183,899
17	United Jersey Bank, Hackensack, N.J.	374,406,430	7,723	0	0	...		711,955,629	337,549,199
18	Michigan National Bank, Lansing	336,974,808	15,719	105	0	41	+ 23	482,359,180	169,498,000
19	National State Bank, Elizabeth, N.J.	331,148,803	11,047	43	140	15		440,762,238	109,613,435
20	California First Bank, San Francisco	330,967,746	6,560	48	34	14		997,706,454	660,066,706
21	Old Stone Bank, Providence, R.I.	330,476,323	8,814	10	0	18		615,476,474	285,000,151
22	South Carolina National Bank, Columbia	317,989,000	7,562	85	78	24	+ 2	424,877,000	94,164,000
23	Idaho First National Bank, Boise	311,109,536	9,847	99	57	22		564,538,306	253,428,770
24	RepublicBank Lubbock NA, Tex.	305,904,891	8,819	75	81	19		321,583,614	15,678,724
25	Fleet National Bank, Providence, R.I.	295,383,090	9,224	17	2	25		547,870,473	252,487,383
26	First Interstate Bank of Oregon NA, Portland	293,254,216	9,476	52	94	20		1,121,259,540	827,940,659
27	Century Bank, Phoenix, Ariz.	292,633,133	8,304	25	3	21		320,063,877	27,431,744
28	United Bank Alaska, Anchorage	277,710,984	2,702	12	0	45	+ 17	302,061,048	24,514,067
29	Western Bank, Sioux Falls, S.D.	276,295,722	7,602	46	6	29		297,846,461	21,550,739
30	Commerce Union Bank, Nashville, Tenn.	274,710,609	5,932	42	5	27		326,540,055	51,829,446
31	Alaska Statebank, Anchorage	273,000,000	3,050	0	0	28		289,000,000	15,500,000
32	First Interstate Bank of Washington NA, Seattle	268,153,020	8,868	71	119	17		800,317,693	532,164,673
33	Connecticut Bank & Trust Co. NA, Hartford	267,559,209	5,243	70	0	52	+ 19	860,724,821	590,249,275
34	First Interstate Bank of Alaska, Anchorage (e)	266,187,329	2,499	37	0	33		305,104,792	38,917,464
35	First National Bank, Louisville, Ky.	245,068,891	5,234	61	3	36	+ 1	355,608,829	110,539,938
36	Comerica Bank-Detroit	243,823,050	6,255	15	0	32		847,056,290	846,308,664
37	Marine Midland Bank NA, Buffalo, N.Y.	230,157,000	5,035	65	0	30		1,250,365,000	1,006,686,000
38	Simmons First National Bank, Pine Bluff, Ark.	228,780,107	3,440	167	100	39	+ 1	286,212,283	57,432,176
39	Central Bank of Denver	226,338,801	6,748	90	3	51	+ 12	259,557,205	32,547,466
40	First Wisconsin National Bank, Milwaukee	223,813,434	7,058	133	13	57	+ 17	460,625,364	270,450,824
41	Central Bank, San Francisco	206,475,479	6,527	85	20	26		359,444,063	152,968,584
42	First National Bank, Cincinnati	192,353,380	4,621	73	47	43	+ 1	342,913,702	155,311,642
43	Fidelity National Bank, Baton Rouge, La.	189,361,870	6,081	53	5	42		242,631,906	53,270,036
44	Georgia Railroad Bank & Trust Co., Augusta	189,228,672	8,303	57	64	35		214,322,560	25,093,888
45	Bank of New England NA, Boston	185,214,020	2,751	37	0	...		250,752,643	65,538,622
46	Commercial Security Bank, Ogden, Utah	184,839,703	6,050	31	28	40		241,406,273	52,203,271
47	Landmark First National Bank, Fort Lauderdale, Fla.	178,967,840	8,421	116	35	48	+ 1	252,461,461	73,493,621
48	Lloyds Bank California, Los Angeles	177,858,447	2,987	21	0	38		398,236,675	220,378,228
49	Banco Popular de Puerto Rico, San Juan	176,964,200	14,859	122	1	34		413,148,500	236,184,300
50	Connecticut National Bank, Hartford	168,541,978	3,261	132	0	50		906,582,535	736,291,824
51	Nevada National Bank, Reno	164,003,008	2,527	42	3	49		253,170,812	13,944,138
52	First Wyoming Bank NA-Cheyenne	153,340,726	3,510	19	0	53	+ 1	161,293,617	7,952,891
53	North American Bank & Trust Co., Stratford, Conn.	145,725,065	3,806	7	20	58	+ 5	163,423,673	17,698,607
54	First Interstate Bank of Hawaii, Honolulu	141,454,505	3,419	43	0	47		240,892,072	97,777,709
55	Rainier Bank Alaska NA, Anchorage (f)	141,143,896	1,598	14	0	65	+ 10	148,361,055	4,597,772
56	Union Bank, Los Angeles	135,000,000	4,000	30	0	77	+ 21	635,000,000	500,000,000
57	First Interstate Bank of Casper NA, Wyo.	134,949,977	3,443	15	1	62	+ 5	170,528,461	22,929,004
58	Lincoln First Bank NA, Rochester, N.Y.	133,452,654	4,027	16	0	54		292,046,460	158,593,805
59	Seattle Trust & Savings Bank	126,944,000	4,534	26	6	55		192,863,900	63,214,400
60	Lousiana National Bank, Baton Rouge	125,000,000	2,439	33	0	66	+ 6	212,148,715	87,812,984
61	Fourth National Bank & Trust Co., Wichita, Kan.	121,281,040	2,040	66	0	64	+ 3	187,639,289	63,758,249
62	Valley Fidelity Bank & Trust Co., Knoxville, Tenn.	119,669,032	4,026	35	65	59		162,863,583	43,194,551
63	First Interstate Bank of Arizona NA, Phoenix	119,539,721	8,105	63	14	56		650,023,243	530,483,522
64	Fremont Bank, Calif.	118,606,000	2,272	13	0	61		195,812,000	77,206,000
65	American Security Bank NA, Washington, D.C.	117,648,784	2,914	30	3	73	+ 8	301,080,764	179,137,700
66	Manufacturers National Bank, Detroit	115,566,810	2,666	38	7	31		883,407,716	788,472,608
67	American National Bank & Trust Co., Kalamazoo, Mich.	111,519,347	3,067	30	0	63		174,775,637	63,256,290
68	Colorado National Bank-Exchange, Colorado Springs	111,360,038	3,403	49	15	60		117,056,999	5,444,290
69	Branch Banking & Trust Co., Wilson, N.C.	109,609,010	2,591	39	6	67		195,857,649	86,248,639
70	Wyoming National Bank, Casper	105,792,352	2,156	17	0	70		121,880,542	16,088,190
71	Colonial Bank, Waterbury, Conn.	105,000,000	2,000	0	0	71		482,000,000	377,000,000
72	First National Bank of Maryland, Baltimore	99,587,843	2,116	46	4	69		412,262,836	312,674,933
73	Sunwest Bank of Albuquerque NA, N.M.	94,547,396	4,854	19	14	72		225,447,250	130,899,854
74	Citizens Commercial & Savings Bank, Flint, Mich.	92,000,000	4,966	26	17	75	+ 1	361,000,000	263,000,000
75	Hawaii National Bank, Honolulu	86,311,071	2,683	58	0	76	+ 1	124,584,493	38,273,422
76	First Interstate Bank of Billings NA, Mont. (g)	85,856,745	2,395	50	5	78	+ 2	128,060,935	41,375,995
77	Central National Bank, Cleveland	76,908,828	4,114	73	0	80	+ 3	276,406,124	196,800,089
78	Broadway National Bank, San Antonio, Tex.	73,833,397	2,599	36	28	81	+ 3	112,707,944	38,874,547
79	Idaho Bank & Trust Co., Boise	73,477,982	2,069	33	0	86	+ 7	128,355,491	54,877,509
80	Union Trust Co., Stamford, Conn.	72,228,201	1,919	56	0	79		437,261,485	365,033,284
81	Alaska National Bank of the North, Fairbanks	71,474,022	930	39	0	44		105,777,888	34,303,866
82	Norwest Bank Des Moines NA, Iowa	70,104,061	1,716	40	0	82		177,942,261	107,838,201
83	Abilene National Bank, Tex.	63,893,652	1,125	14	20	...		111,359,031	47,216,603
84	Fidelity Bank of Indiana, Carmel	62,836,598	1,154	46	0	...		90,693,415	27,856,817
85	Kanawha Valley Bank NA, Charleston, W. Va.	61,590,063	2,212	17	0	98	+ 13	106,076,473	44,486,410
86	First National Bank, Omaha, Neb.	61,000,000	2,053	25	5	89	+ 3	108,000,000	47,000,000
87	First Pennsylvania Bank NA, Philadelphia	59,746,341	1,687	86	0	88	+ 1	392,486,380	332,470,884
88	Alameda First National Bank, Calif.	57,060,480	1,180	5	0	85		69,787,572	12,727,092
89	Texas American Bank/Fort Worth NA	56,718,558	800	26	0	...		119,374,006	62,655,448
90	Plains National Bank, Lubbock, Tex.	55,450,083	2,483	32	11	103	+ 13	68,157,082	12,706,999
91	City Bank, Honolulu	54,512,914	982	22	0	101	+ 10	93,562,928	39,050,014
92	First National Bank, Albuquerque, N.M.	52,688,256	1,701	8	130	96	+ 4	118,278,719	65,590,463
93	Old National Bank, Evansville, Ind.	51,608,248	2,079	61	1	91		140,271,261	88,663,013
94	First Interstate Bank of Nevada NA, Reno	51,288,236	1,453	22	6	84		380,035,537	328,747,301
95	Capital Bank & Trust Co., Baton Rouge, La.	49,547,980	1,115	22	29	95		96,956,450	49,547,980
96	Ohio Citizens Bank, Toledo	48,871,229	741	11	1	...		147,319,678	98,448,448
97	National Bank of Commerce Trust & Savings Assn., Lincoln, Neb.	47,312,100	1,155	0	0	94		70,981,787	23,669,687
98	First Bank NA, Billings, Mont.	47,000,000	1,343	41	0	...		83,000,000	36,000,000
99	Maryland National Bank, Baltimore	43,692,760	1,153	18	2	92		434,535,944	390,843,184
100	Wilmington Trust Co., Del.	43,598,126	1,794	33	0	106	+ 6	337,802,997	267,391,593

(a)— Data are for individual banks and exclude subsidiary mortgage companies which have their own legal identity. (b)— Excludes mortgages serviced by the bank for itself or for any accounts in its trust department. (c)— Includes all permanent mortgages serviced by the bank: for itself, for its trust department, and for others. (d)— Servicing is done by Citizens Fidelity Mortgage Co., a division of the bank. (e)— Formerly Alaska Bank of Commerce. (f)— Formerly Peoples Bank & Trust Co. (g)— Formerly Security Bank NA. (R)— Revised rank since publication on Oct. 18, 1983. (r)— Revised rank based on revised data received from bank after publication on Oct. 18, 1993.

BofA's $2.2 Billion Tops Banks In Mortgage Servicing: Survey

Continued from Page 3

able number of financial services firms, including banks, have been entering the field.

Based on the new listing, Lomas & Nettleton Financial Corp., Dallas, the nation's largest mortgage company, also is the largest mortgage servicing firm in the field, with $18.3 billion in servicing at midyear, up from $18.1 billion on Dec. 31.

Norwest Corp., Minneapolis, is the top commercial banking firm in the mortgage servicing field and the second largest firm overall, with combined servicing of $14.32 billion in five subsidiaries. Of this total, $14.18 billion was in its mortgage company subsidiary, Norwest Mortgage Inc., the nation's second largest mortgage company. The remaining $140 million in servicing was in four Norwest banks, located in Des Moines, Iowa, Rochester, Minn., St. Paul, Minn., and Omaha, Neb.

Among the top 25 mortgage services in combined servicing, 15 are commercial banking firms and seven are thrift institutions. The other three are an independent mortgage company — Lomas and Nettleton; an affiliated company — Weyerhaeuser Mortgage Co., Los Angeles, the subsidiary of Weyerhaeuser Co., Tacoma, Wash.; and Sears, Roebuck and Co., Chicago, the retail and financial services company.

Sears placed 24th in the listing, with combined servicing of $5.1 billion in its two servicing subsidiaries: Allstate Enterprises Mortgage Corp., Lincolnshire, Ill. ($2.3 billion), and Coldwell Banker Real Estate Finance Services, Los Angeles ($2.8 billion).

Not included in the total is the $1.1 billion servicing portfolio of Sears Savings Bank, Glendale, Calif., the Sears savings and loan subsidiary. At the time of this writing, it was not known whether the thrift's servicing is included in the servicing volume figures reported by Sears mortgage bank subsidiaries.

Fleet Financial Group Inc., Providence, R.I., the holding company for Fleet National Bank, was the third largest servicer in combined servicing, following Lomas & Nettleton and Norwest Corp. Fleet had $11.5 billion in servicing in its three servicing subsidiaries: Bankers Mortgage Corp., Columbia, S.C., with $3.5 billion; Fleet Mortgage Corp., Wilwaukee, with $7.7 billion; and Fleet National Bank, with $295 million.

Manufacturers Hanover Corp., New York, was fourth, with $10.2 billion, the bulk of which was in its mortgage company subsidiary, Manufacturers Hanover Mortgage Corp. And Weyerhaeuser, with $10.2 billion, was fifth.

Citicorp's combined servicing has jumped 28%, from $5.8 billion at yearend 1983 to $7.4 billion midyear 1984 to place it sixth in combined servicing. Citicorp Homeowners Services Inc., St. Louis, had $5 billion, up 35% from yearend and 135% from June 30, 1983. And Citicorp Real Estate Inc., New York, had $2.4 billion in servicing at midyear, up 35% from a year earlier.

Not included in this total are the $1.3 billion portfolio of Citicorp Savings of Illinois, Chicago, and the $441 million servicing portfolio of Citicorp Savings, San Francisco. Again, it has not yet been determined if the servicing reported by these thrifts is included in the figures reported by Citicorp's mortgage banking subsidiaries.

Top 100 Banks

Among the top 100 banks, BofA's servicing portfolio of $2.2 billion at midyear was double the size of the second largest commercial bank in servicing, Union National Bank, Little Rock, Ark. Union National had a $1.1 billion portfolio on June 30, moving it up one notch.

Hibernia Bank, San Francisco, dropped from second to third place with $1.1 billion.

First National Bank, Anchorage, Alaska, moved up two places to rank fourth, with $840 million. And Continental Illinois advanced seven places to rank fifth, with $753 million.

The top 100 commercial banks were servicing $25.6 billion for investors at midyear, up 11.8% from the $22.9 billion of a year earlier. Over the 12 months ended June 30, 1983, the top 100 bank servicers posted a 17% gain in servicing.

The major reasons for the sizable gains in servicing in both years were the continued strong demand for housing and the relative stability of interest rates. Housing starts were up 27.7% over the 12 months ended June 30, with 1.837 million units started in the period. This was on top of a 54.2% rise in the preceding 12-month period.

Conventional home mortgage rates also fell 26 basis points over the period to 12.10%, after plunging 304 basis points the year before.

➤ Mortgage: Page 30

Dear Reader, How Are We Doing?

The American Banker wants very much to make sure its statistical listings for the financial services industry meet your information needs. So would you spend a moment to give us some feedback on the **American Banker TOP 100 COMMERCIAL BANKS IN MORTGAGE SERVICING** survey that appears in today's edition? Over the past year we have incorporated many of your suggestions to provide more meaningful information. Please return this questionnaire to L. Michael Cacace, Statistical Chief, American Banker, One State Street Plaza, New York, N.Y. 10004 (212) 943-4836.

(1.) How would you **change** the tabulation to make it more useful? What would you add?

(2.) What do you like **best** about this tabulation?

(3.) What do you like **least** about this tabulation?

(4.) **How** do you use this information in your work?

(5.) What **new** statistical survey would you like to see?

Name (optional)_____

Title_____

Company_____

Address_____

Phone_____

Top 25 Mortgage Servicers

Mortgage Companies and Commercial Banks

An Alternative Ranking Based on *Combined* Servicing Of Permanent Mortgages for Others for Firms with More than One Mortgage Servicing Subsidiary (Based on Midyear 1984 Servicing Volume)

Rank	Name of Company	Volume ($Bil.)	No. of Subs
1	Lomas & Nettleton Financial Corp., Dallas	$18.253	...
2	**Norwest Corp, Minneapolis**	**14,320**	**5**
3	**Fleet Financial Group, Inc., Providence, R.I.**	**11,543**	**3**
4	**Manufacturers Hanover Corp., New York**	**10,231**	**2**
5	Weyerhaeuser Mortgage Co., Los Angeles	9,144	...
6	**Citicorp, New York**	**7,446**	**2**
7	CrossLand Capital Corp., Los Angeles	7,220	...
8	**First Interstate Bancorp., Los Angeles**	**7,201**	**9**
9	Colonial Mortgage Service Co., Philadelphia	7,094	...
10	**Bank of Boston Corp.**	**6,745**	**3**
11	Commonwealth Mortgage Corp., Houston	6,710	...
12	Kissell Co., Springfield, Ohio	6,638	...
13	**Goldome FSB, Buffalo, N.Y.**	**6,178**	**2**
14	Anchor Mortgage Services, Inc., Wayne, N.J.	6,129	...
15	Cameron-Brown Co., Charlotte, N.C.	6,056	...
16	**Mellon National Corp., Pittsburgh**	**5,726**	**4**
17	**BankAmerica Corp., San Francisco**	**5,654**	**3**
18	Sovran Mortgage Corp., Richmond, Va.	5,608	...
19	Richard Gill Co., San Antonio, Tex.	5,373	...
20	**Security Pacific Corp., Los Angeles**	**5,354**	**2**
21	Talman Home Mortgage Corp., Chicago	5,252	...
22	Alliance Mortgage Co., Jacksonville, Fla.	5,223	...
23	Chemical Mortgage Corp.,Columbus, Ohio	5,199	...
24	**Sears, Roebuck & Co., Chicago**	**5,069**	**2**
25	Colwell Financial Corp., Los Angeles	5,064	...

The Top 100 Largest Servicing Gainers

(Dollar Amounts in Millions)	Servicing 6/30/84	Servicing 6/30/83	Percent Increase	Bank Rank
1 Michigan National Bank, Detroit	522.0	101.0	416.8	13
2 Michigan National Bank, Lansing	337.0	173.4	94.4	18
3 Connecticut Bank & Trust Co. NA, Hartford	267.6	139.6	91.6	33
4 First Wisconsin National Bank, Milwaukee	223.8	124.1	80.4	40
5 Continental Illinois Nat'l Bk & Tr Co., Chicago	753.0	459.0	64.1	5
6 United Bank Alaska, Anchorage	277.7	169.6	63.7	28
7 Central Bank of Denver	226.3	140.1	61.5	39
8 Kanawha Valley Bank NA, Charleston, W. Va.	61.6	40.3	53.0	85
9 Plains National Bank, Lubbock, Tex.	55.5	36.6	51.5	90
10 Union Bank, Los Angeles	135.0	90.0	50.0	56

The Top 100 Largest Servicing Losers

(Dollar Amounts in Millions)	Servicing 6/30/84	Servicing 6/30/83	Percent Decrease	Banks Rank
1 Alaska National Bank of the North, Fairbanks	71.5	171.5	58.3	81
2 Manufacturers National Bank, Detroit	115.6	214.2	46.1	66
3 First Interstate Bank of Washington NA, Seattle	268.2	330.7	18.9	32
4 First Interstate Bank of Nevada NA, Reno	51.3	61.0	15.9	94
5 Central Bank, San Francisco	206.5	241.0	14.3	41
6 Maryland National Bank, Baltimore	43.7	50.2	13.0	99
7 Union Planters National Bank, Memphis, Tenn.	501.8	561.4	10.6	14

Fraud . . .

Continued from Page 10

While credit card fraud has been a highly publicized issue for the past year, with Visa, MasterCard, the American Bankers Association, the EFT association and others focusing attention on it, access to data bases is certain to be a hot issue for the future.

The rise of automated teller machine networks, home banking and electronic payments at the point of sale all create electronic points of entry to consumer transaction accounts.

The EFT association, Mr. Moroney said, had working committees exploring both card fraud and unauthorized access to data bases and concluded that in both cases "access" was the key factor.

"Most companies build their fences a few feet back from the property line, so that when you try to climb the fence, you're trespassing," he said. "With computers, when they try to get in, they're at your property line," he said.

Mr. Copeland of the Justice Department said that the measure which emerged and was tacked on to the spending bill makes it a misdemeanor to access data bases defined under the Fair Credit Reporting Act and the Right to Financial Privacy Act.

However, he said, the concern was for privacy of the records, rather than the possibility of tampering with those records. It does not cover situations, for example, in which a computer thief breaks into a bank system and transfers money from one account to another.

"We would still go after that under the wire transfer statutes," he said. "We've always been able to handle it under existing laws."

Mr. Moroney, however — who said he had not yet seen a copy of the 635-page crime package — said that being able to prosecute crimes after they had been committed was not enough in the area of electronic funds transfer.

"We have to be able to stop attempts to get in," he said.

Demonstrating how rushed was the process of piecing the bill together, Mr. Copeland said there is probably not a clean copy of the bill available in Washington. "And with GPO (Government Printing Office) backed up, I don't know when they'll get around to printing up copies," he said. ■

Bank Board . . .

Continued from Page 3

But, he said, the agency is concerned by some of the account's features.

Under the proposal the board would define "earnings-based accounts" to include any account that provides for the payment of interest to be determined by reference to an index based on the profitability of certain assets.

Although the Bank Board said the accounts are increasingly popular, the only example of such accounts cited by the agency was offered briefly by Murray Savings Association of Dallas. The offer was halted by order of the Bank Board.

That program featured a 12-year certificate with a guaranteed 10% simple annual interest. Then, if Murray's real estate loans proved profitable, its certificate holders received a share in those returns as well.

The board has proposed certain limitations on the use of this type of account effective Oct. 17.

It would require an association to limit earnings-based accounts to 5% of its assets. An association could increase that amount to 20% of assets with supervisory approval.

However, an association with a net worth of less than 3% of its assets would be prohibited from issuing this type of account. Bank Board is concerned that possible losses from a program that performed poorly could wipe out weak associations, according to staff members.

The rule requiring state associations to conform to federal investment limits to get federal deposit insurance requires that:

- A majority of an S&L's directors to either live, work, or maintain a business in the state where the thrift is located. The rule makes allowances for S&Ls in interstate markets.
- An S&L's board of directors consist of individuals with varied business and professional backgrounds.
- A background check be conducted of any individual who will own 10% or more, or maintain actual control of a thrift.
- Each director sign an oath that he or she is aware of the fiduciary duties connected with the position.
- Any investor with controlling interest in an S&L guarantee the association's net worth at the required level of 3% of assets. That investor could ask to be released from that pledge by supervisory agents after five years.
- Each insurance applicant file a plan to show the association will avoid conflict-of-interest abuses.
- That investors not use more than 50% of their stock to secure financing of that stock purchase.

The rule is effective Aug. 2, 1984. ■

Failures . . .

Continued from Page 3

in the failed bank's assets.

The agency also advanced about $9.6 million in cash to United Missouri.

Tennessee's 10th Collapse

Meanwhile, in Tennessee, authorities said the Energy Bank, in Oakridge, was taking over the loss-ridden Oneida Bank & Trust Co.

Friday's closing of the Oneida bank marked the 10th Tennessee bank to fail so far this year.

The FDIC said the failed bank's only office reopened Monday as a branch of the Energy Bank, a subsidiary of Tennessee Eastern Bancshares Inc., Oakridge. Depositors of the Oneida Bank would automatically become depositors of the assuming bank, the FDIC said.

Oneida Bank was closed by Tennessee Commissioner of Financial Institutions William C. Adams, who blamed the failure on excessive loan losses.

The assuming bank bought the Oneida bank's securities and certain other assets, and the FDIC was named receiver of the remaining assets.

In addition to assuming about $4.9 million in 2,000 deposit accounts, the Energy Bank has agreed to pay the FDIC a purchase premium of about $75,000.

To facilitate the transaction, FDIC said it would advance $4.3 million in cash and retain assets of the failed bank with a book value of about $4.4 million.

In both bank failures, the FDIC said it approved the deposit assumption because it appeared to be the least costly solution to the government. And in each case, the agency said it expected to recover a "substantial portion" of its outlays through the liquidation of assets that were not transferred to the assuming banks. ■

Chase . . .

Continued from Page 3

Chase's fully taxable equivalent net interest income rose to $652 million in the latest quarter from $606 million in the same period a year earlier. That figure would have declined except for the approximately $70 million if the results of Lincoln First and Nederlandse Credietbank were excluded.

Argentine Loans

Chase blamed the decrease in operating fully taxable equivalent net interest income on a $10 million hit to earnings from the placement of cross-border loans to Argentine borrowers on non-accrual status. This damage to earnings more than offset the positive effect of a $12 billion increase in average earning assets. The company's net interest rate spread for the latest quarter was 3.32%, down from 3.63%.

At the end of the quarter, Chase reported about $2.1 billion in nonaccrual and reduced rate loans, up from $1.9 billion a year earlier but down slightly from $2.2 billion at June 30.

The Sept. 30 figures include about $570 million in cross-border loans to Argentine borrowers, up from about $140 million at yearend. Nonaccrual and reduced rate loans totaled about 3.39% of total loans at the end of the latest quarter, down from 3.52% a year earlier.

At Sept. 30, Chase reported $87.5 billion in total assets, $62.5 billion in total loans and $61 billion in total deposits. A year earlier, the company had $79.2 billion in assets, $53.5 billion in loans and $52 billion in deposits. ■

First Pennsylvania Reports Improved Third-Period Net

By JOHN P. FORDE

NEW YORK — First Pennsylvania Corp. Monday reported $11.6 million in earnings for the third quarter of 1984, which included a $10 million gain from the retirement of publicly held, convertible subordinated debentures that were exchanged for convertible depository preferred shares.

The company also reported $1.6 million in operating income, compared with an operating and net loss of $2 million in the third quarter of 1983. The current quarter's operating and net income reflect the impact of a $5 million increase in the loan-loss provision from the preceding quarter.

In a statement, the company attributed the $3.6 million improvement in operating income over the comparable quarter a year ago to an $8.8 million increase in net interest revenue and a $2 million increase in noninterest revenue. Those were offset by a $4 million increase in the provision for loan losses and a $3.2 million increase in operating expenses.

For the latest quarter, net income per share was 29 cents, compared with a net loss of 12 cents per share for the third quarter of 1983.

During the quarter, First Pennsylvania reacquired 3.3 million of its outstanding 10 million warrants. It paid $3.9 million for 1.4 million warrants at $2.75 each and issued 1,047,000 shares of its common stock for 1.9 million warrants, or 0.55 shares per warrant.

The exchange and warrant reacquisition helped to reduce long-term debt by $32 million and to increase stockholders equity by $24.9 million. Stockholders equity at Sept. 30, 1984, was $330 million, up from $181 million at Sept. 30, 1983. The corporation's ratio of primary capital to assets was 7% at Sept. 30, 1984. ■

Mortgage . . .

Continued from Page 28

Some of the other significant findings of the survey of the top 100 banks are:

- The largest gains in servicing were posted by two bank subsidiaries of Michigan National Corp., Bloomfield Hills. Michigan National Bank, Detroit, had a 417% gain in servicing. This moved it up 55 places to 13th position, with $522 million in servicing. This was achieved by consolidating the servicing operations of several of its sister banks.

Michigan National Bank, Lansing, had a 173% gain, which moved it up 23 places to 18th, with $337 million. The bank cited increased originations and an expanded servicing capability as the major reasons.

Largest Newcomer to Rankings

- The largest newcomer to the rankings was Alaska Mutual Bank, Anchorage. With $542.7 million in servicing, it ranked 12th among commercial banks. The bank, formerly known as Alaska Mutual Savings Bank, changed its name in 1980 and changed its charter in 1981.
- The largest decline in servicing was posted by Alaska National Bank of the North, in Fairbanks, whose portfolio declined 58.3% from $171.5-million to $71.5 million. On March 1, the bank sold $100 million in servicing to Manufacturers Hanover Mortgage Corp., Farmington Hills, Mich.
- The top 100 banks owned mortgages totaling $36.3 billion, and their total servicing — servicing for others plus servicing for themselves and their trust department accounts — totaled $60.5 billion.
- The average remaining size of a loan being serviced by the top 100 banks was $39,208. The average remaining size of a loan serviced by the top 300 mortgage banks was 9.5% higher, or $42,946.

These average figures are presented by the American Banker for the first time. They are derived by taking the total servicing volume and dividing by the total number of loans.

In the case of commercial banks, the $25.6 billion servicing volume was divided by the 652,928 loans being serviced by the top 100 banks.

For the top 300 mortgage companies, their servicing volume of $419.1 billion was divided by 9,758,743 loans being serviced by the top 300 mortgage companies. ■

Executive VP at Rainier

SEATTLE — W. Thomas Porter Jr. has been named executive vice president of private banking for Rainier National Bank.

Mr. Porter most recently was a partner with the accounting firm of Touche Ross & Co. He was national director for executive financial counseling services with the firm and served as national planning director from 1975 to 1978. ■

Fannie Mae Posts $43 Million Loss In Third Quarter

Washington Bureau

WASHINGTON — The Federal National Mortgage Association Monday reported a third-quarter loss of $43.1 million, or 66 cents per share.

The loss, which followed six consecutive profitable quarters, was attributed to two factors by the corporation: a $56 million negative interest margin and the corporation's decision to add $35 million to its loan loss allowance for conventional mortgages.

"A large portion of the negative interest margin was the result of our need to refinance debt that carried interest rates well below the current high levels," Federal National president David O. Maxwell said of his corporation's loss.

"About $18.2 million of the $43.1 million after-tax loss in the third quarter is accounted for by the increase in the allowance for loan losses."

The third-quarter results produced a net loss for the first nine months of this year of $26.2 million, or 40 cents per share fully diluted. That compares with a net income of $61.9 million, or 93 cents per share, in the first nine months of 1983. ■

Continental to Slash Four Overseas Units

By JOHN MORRIS

CHICAGO — Four overseas units will be cut from Continental Illinois National Bank and Trust Co.'s worldwide web in its latest effort to slash costs.

Operations in Bahrain, Belgium, the Netherlands, and Switzerland will be sold or closed, affecting 400 employees.

The move marks the completion of a months-old probe of the bank's European and Middle Eastern operations. The decision to sell or close the four was made after a review of cost effectiveness, said Jean-Louis F.L. Recoussine, senior vice president in charge of Europe, the Middle East, and Africa.

Affected are the Belgian SA/NV subsidiary with a main office in Brussels and an office in Antwerp; the wholly owned Swiss operation, based in Zurich and with an office in Geneva; and branches in Bahrain and Amsterdam.

Earlier this year, Continental sold its London-based merchant banking subsidiary to First Interstate Bancorp Inc., of Los Angeles. The latest cuts leave it with branches or offices in 29 countries. ■

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TODAY

CUTTING BACK: The Treasury Department and representatives of minority-owned banks are unable to reach an agreement over the future of a special deposit assistance program the government is scaling back 1

MINORITY BANKING: Minority-owned banks and thrifts are examined in a survey that includes a series of tables beginning on page 11. The story starts on page 1

REGIONAL BANKING: Will regional interstate banking hit the Midwest in 1985? For the first time, key lawmakers from eight midwestern states are meeting Friday in Milwaukee to find out 1

FLOAT REGULATIONS: California banks and thrifts say new check float regulations place bank funds unnecessarily at risk because of outdated practices in returning bad checks. 2

INTERNATIONAL BRIEFING: A new study suggests that foreign debt rescheduling should be handled along the lines of the multiyear approach taken toward Mexico 2

ANNUITY TRUST: Lomas & Nettleton Co. is designing an annuity trust backed by adjustable-rate mortgages 2

WORKOUT PLEA: The FDIC is advertising for professionals with loan workout experience to help it monitor loans purchased from Continental Illinois 3

What Analysts Say 3

COAST EARNINGS: BankAmerica Corp. and First Interstate Bancorp both posted increases in third-quarter earnings. BofA's net was up a smart 20% 3

MARKET OR DIE: In a case study of General Electric Credit Corp., Barton D. Ladd describes how the finance company marketers discern the customers' interests in order to decide what products should be financed 4

VIDEOTEX OUTLOOK: Trintex, the joint venture made up of CBS, IBM, and Sears, says it is still several years away from launching a national videotex system 6

Financial Services Stocks 16

Quote

It wouldn't help us any to pursue the challenge. We don't need relief a year and a half down the road. We need it now.

Venerable Booker, president of American State Bank, referring to the bank's legal challenge to the government over a change in its cash management program. [1]

Unquote

The Spectrum of Minority Banks

New American Banker Survey Shows Total of 105

By KENNETH J. HICKS

NEW YORK — The *American Banker* today for the first time publishes a survey of what it calls the Rainbow Banks in America.

These are the 105 commercial banks that are at least 50% owned by blacks, Asian-Americans, Hispanic-Americans, Native Americans, or women. The definitions of minorities follow those used by the Treasury Department in its program to place special government deposits in minority institutions.

Tables appear on Pages 11, 12, 13, 14

Today's edition also features a new listing of the minority-owned thrift institutions in the U.S.

Of the 105 minority-owned commercial banks, the largest, based on yearend 1983 data, is the International Bank of Commerce, a Hispanic-American-run bank in Laredo, Tex., with $364.1 million in assets.

➡ Minorities: Page 8

The Rainbow Banks

	Assets ($ 000)
Largest Asian-American Bank	
Cathay Bank, Los Angeles	$250,144
Largest Black Bank	
First Bank NA, Cleveland	148,411
Largest Hispanic-American Bank	
Intl. Bank of Commerce, Laredo	364,141
[illegible]	[illegible]
Largest Women's Bank	
Women's Bank NA, Denver	38,791
[illegible]	[illegible]

The top minority-owned banks by yearend 1983 Assets. Dollar amounts are in thousands.

Midwest Set to Debate Regional Zone

By ANDREA BENNETT

CHICAGO — Will regional interstate banking hit the Midwest in 1985?

Key lawmakers from eight midwestern states are meeting Friday in Milwaukee to find out. It will be the first time midwestern legislators have gotten together to debate the subject.

"The major actors in these states will be there," said Tom Loftus, speaker of the Wisconsin Assembly. "These are the decision makers."

Interstate Banking

Mr. Loftus, along with the National Conference of State Legislators, is sponsoring the meeting. The eight states to be represented are Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin.

Several meetings on regional banking have been held in the Midwest so far in 1984. In August, seven midwestern banking commissioners met in Chicago to swap notes on regional banking but did not adopt any policies. In addition to the legislators, Mr. Loftus

➡ Midwest: Page 23

Minority Bank Deposit Plan Faces Cutbacks

Negotiations with Treasury Fail to Produce Agreement

By JAY ROSENSTEIN

WASHINGTON — The Treasury Department and representatives of minority-owned banks have been unable to reach an agreement over the future of a special deposit assistance program that the government is scaling back.

Representatives of the National Bankers Association, a group representing minority banks, have held meetings with the Treasury Department in an effort to find ways to salvage a program begun in 1970 that gives minority-owned institutions first consideration for deposits from a government agency. The program was designed to assist the development of minority businesses.

Jesse Jackson's message, Page 7

However, the Reagan administration has started a cash management program known as Reform '88, intended to speed up government receipts and allow for greater availability of funds. One aspect of this is a move to save money by routing some of the funds now going to minority banks to larger institutions around the nation.

According to Ronald A. Homer, president of the National Bankers Association, there has been a decline in government deposits in minority-owned banks since 1982.

With further implementation of Reform '88 those deposits "could be reduced by at least a half from where we are today, if not entirely disappear. For some banks it may mean the difference

➡ Deposits: Page 22

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Indianapolis: Sharing with Today's Youth.

Indianapolis is a youthful city offering many activities, programs and facilities for children. Heading the list is the $6.8 million Children's Museum, the largest of its kind in the world, sponsoring plays, field trips and workshops. The Indianapolis Zoo, the Museum of Art, and the renowned Indianapolis Symphony Orchestra educate children about nature and the fine arts. American Fletcher, Indiana's largest bank, proudly supports youth programs of Indianapolis and realizes that a child's discovery today leads to tomorrow's breakthroughs.

AMERICAN FLETCHER NATIONAL BANK
AFNB
INDIANAPOLIS

Survey Shows Total of 105 Minority-Owned Banks at Yearend

Continued from Page 1

In second and third positions are two other western banks. They are the United Bank Alaska, Anchorage, an Eskimo, Native American, Aleut-owned bank, with $303.1 million in assets, and the Asian-American-owned Cathay Bank, Los Angeles, which reported yearend assets of $250.1 million.

Other significant findings: The largest black-owned bank at yearend was First Bank NA, Cleveland, with $148.4 million in assets; the largest women-owned bank was Women's Bank NA, Denver, with reported assets of $38.8 million.

The states with the most minority-owned financial institutions are: California with 36 — of which 20 are thrifts and 16 are banks; Texas with 17, of which 14 are banks; and Florida with 15, nine of them commercial banks.

As of Dec. 31, 1983, there were 49 black-owned banks, 28 Hispanic-American-owned banks, 14 Asian-American-owned banks, 8 women-operated banks, 3 Native American, Eskimo, and/or Aleut-run banks, and 3 listed as multiracial.

Despite impressive across-the-board gains in asset, deposit, net income, and loan growth, as well as optimistic forecasts by bank officers, minority-owned financial institutions are faced with a difficult and uncertain future.

Their problems include a lack of high-quality management, a continuing decay of the inner-city areas these banks serve, and a federal cash management program that will take away government funds that may be vital to the survival of several of these firms.

The latter, dubbed Reform '88, is a money management program being implemented by the Treasury that is expected to shift a good deal of the available funds for the minority deposit program to larger commercial banks around the nation in an effort to save money.

These are among the findings and conclusions drawn from the *American Banker*'s review of financial institutions eligible for the Government Minority Bank Deposit Program.

Five tables accompany the story. One gives a listing of commercial banks, showing assets, deposits, and net loans as of yearend 1983 compared with yearend 1982. Another lists thrift institutions (savings and loans, savings banks, and credit unions) and compares yearend 1983 assets, deposits, and net income with the 1982 figures.

A third table identifies the top 10 minority-owned institutions by assets and income, as well as the top institutions by assets within each minority grouping (Asian-American; black; Hispanic-American; Native American, Eskimo, Aleut; and women).

A fourth table compares the average minority-owned bank with the average nonminority bank, by asset size and years in existence. A fifth table covers significant ratios for selected minority-owned commercial banks.

A Little History

Minority-owned financial institutions have been in existence since the early 1900s, but it wasn't until the 20-year period between 1960 and 1979 that they grew substantially. More than 70 of the current institutions began operating during these years.

This flurry of minority bank startups spurred then President Richard M. Nixon to issue Executive Order 11458 on March 7, 1969, entitled, "Prescribing arrangements for developing and coordinating a national program for minority business enterprise."

From that order, the Office of Minority Business was created. Its primary responsibility was to serve as a source of information for the minority business community and the Secretary of Commerce.

On Oct. 14, 1971, Executive Order 11625 was issued, which expanded the original order to "provide financial assistance to public and private organizations."

The Government Minority Bank Deposit Program was begun by the secretary of Commerce and the undersecretary of the Treasury on Oct. 2, 1970. It was designed to be a "combined federal government-private sector effort to assist the development of minority business enterprise," according to the most recent brochure, published in 1980. Thrift institutions were allowed to enter the program that same year.

When a government agency requires a banking service in an area, the institution that can offer the best deal for the funds will receive them. However, if a minority-owned institution is located in the area, it will receive first consideration for the deposits.

The amount and type of deposit are determined by each individual agency, but the Treasury will not allow the establishment of any type of account that it considers to be too large for an institution to handle.

Some Advantages for Minority Banks

Ronald Homer, president of the National Bankers Association, the trade group for minority-owned commercial banks, and chief executive officer of the $12.3 million-asset Boston Bank of Commerce, observes that when minority financial institutions first began appearing in numbers during the 1960s and '70s, minority representation in bank management was very scarce.

As a result, some officers say, these institutions tended to be poorly managed and they sacrificed sound business practices in favor of risky community investments, which bordered on the "charitable."

"But now," Mr. Homer says, "the original management has improved. Further, when minority members feel they have reached their managerial peak at other financial institutions, they come over to minority banking," which has helped to establish a better managed group of banks.

Also commenting on the key role of management in minority-owned institutions was B. LaRue Orullian, president of the Women's Bank NA, Denver. "A small, well-run and aggressive commercial bank is an alternative to the giants. We are very optimistic about our future and we are ready to compete."

She also noted that the large banks specialize in impersonal service, which is another benefit to the minority-owned/community bank. "People want to do business with people." Ms. Orullian said.

Women's Bank has been able to prosper under the current economic and

The National Bank of Kuwait Now in New York

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